

**EAGLE POINTE DEVELOPMENT I  
LIMITED PARTNERSHIP**

**AUDITED FINANCIAL STATEMENTS**

**December 31, 2011 and 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 06 2012**

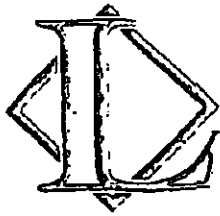
**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2011 AND 2010**

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**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm TODD LITTLE CPA  
CHARLES R MARCHBANKS JR CPA

**INDEPENDENT AUDITORS' REPORT**

To the Partners  
Eagle Pointe Development I Limited Partnership  
Bossier City, LA

We have audited the accompanying balance sheets of Eagle Pointe Development I Limited Partnership (the Partnership) as of December 31, 2011 and 2010 and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eagle Pointe Development I Limited Partnership as of December 31, 2011 and 2010 and the results of its operations, changes in partners' equity (deficit), and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2012, on our consideration of Eagle Pointe Development I Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Little & Arrieta, LLC*

Monroe, Louisiana  
February 28, 2012

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**BALANCE SHEETS**  
**DECEMBER 31, 2011 AND 2010**

<b>ASSETS</b>		
	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,074	\$ 30,284
Accounts Receivable - Tenants	2,866	3,145
Allowance for Doubtful Accounts	(1,043)	(1,583)
Prepaid Expenses	12,270	11,339
Total Current Assets	<u>20,167</u>	<u>43,185</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Operating Reserves	105,012	104,158
Replacement Reserves	97,467	85,317
Real Estate Tax and Insurance Escrow	3,604	1,085
Tenants' Security Deposits	10,636	11,080
Total Restricted Deposits and Funded Reserves	<u>216,719</u>	<u>201,640</u>
<b>PROPERTY AND EQUIPMENT</b>		
Buildings	3,208,649	3,208,649
Site Improvements	85,595	85,595
Furniture and Equipment	153,334	153,334
Total	3,447,578	3,447,578
Less: Accumulated Depreciation	(740,247)	(640,418)
Net Depreciable Assets	2,707,331	2,807,160
Land	10,000	10,000
Total Property and Equipment	<u>2,717,331</u>	<u>2,817,160</u>
<b>OTHER ASSETS</b>		
Permanent Loan Fees	42,271	42,271
Syndication Costs	133,279	133,279
Less: Accumulated Amortization	(15,143)	(13,101)
Total Other Assets	<u>160,407</u>	<u>162,449</u>
 Total Assets	 <u><u>\$ 3,114,624</u></u>	 <u><u>\$ 3,224,434</u></u>

The accompanying notes are an integral part of these financial statements

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**BALANCE SHEETS**  
**DECEMBER 31, 2011 AND 2010**

**LIABILITIES AND PARTNERS' EQUITY**

	<u>2011</u>	<u>2010</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,976	\$ 2,977
Deferred Rent	980	1,108
Base Management Fees Payable	1,275	-
Subordinate Management Fees Payable	1,275	-
Due To Related Party	6,735	8,908
Accrued Interest Payable - Home Federal Savings & Loan	4,891	4,801
Note Payable - Home Federal Savings & Loan	14,329	12,589
Total Current Liabilities	<u>35,461</u>	<u>30,383</u>
<b>DEPOSITS</b>		
Tenants' Security Deposits	10,750	10,750
Total Deposits	<u>10,750</u>	<u>10,750</u>
<b>LONG-TERM LIABILITIES</b>		
Note Payable - Home Federal Savings & Loan	755,731	769,570
Note Payable - LHFA	399,916	399,916
Note Payable - Bossier City Housing Authority	175,000	175,000
Accrued Interest Payable - LHFA	139,048	117,396
Accrued Interest Payable - Bossier City Housing Authority	69,863	61,113
Development Costs Payable	93,584	105,334
Developer Fee Payable	-	5,215
Total Long-Term Liabilities	<u>1,633,142</u>	<u>1,633,544</u>
Total Liabilities	1,679,353	1,674,677
<b>PARTNERS' EQUITY</b>		
Partners' Equity	1,435,271	1,549,757
Total Partners' Equity	<u>1,435,271</u>	<u>1,549,757</u>
Total Liabilities and Partners' Equity	<u>\$ 3,114,624</u>	<u>\$ 3,224,434</u>

The accompanying notes are an integral part of these financial statements

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>		
Rent Income	\$ 297,698	\$ 313,390
Late Fees, Forfeited Deposits, etc.	4,825	3,125
Other Income	<u>1,957</u>	<u>1,241</u>
Total Revenue	<u>304,480</u>	<u>317,756</u>
<b>EXPENSES</b>		
Maintenance and Repairs	62,062	61,220
Utilities	34,962	32,037
Administrative	81,169	61,924
Base Management Fees	15,490	17,161
Subordinate Management Fees	14,177	-
Taxes	27	27
Insurance	15,428	14,032
Interest	88,247	88,548
Depreciation and Amortization	<u>101,871</u>	<u>101,871</u>
Total Expenses	<u>413,433</u>	<u>376,820</u>
Net Income (Loss) from Operations	(108,953)	(59,064)
<b>OTHER INCOME (EXPENSES)</b>		
Gain/(Loss) on Sale of Asset	395	-
Asset Management Fees	<u>(5,928)</u>	<u>(5,832)</u>
Total Mortgagor Entity Expenses	<u>(5,533)</u>	<u>(5,832)</u>
Net Income (Loss)	<u><u>\$ (114,486)</u></u>	<u><u>\$ (64,896)</u></u>

The accompanying notes are an integral part of these financial statements

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**STATEMENTS OF PARTNERS' EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Total</u>	<u>General Partner</u>	<u>Special Limited Partner</u>	<u>Investor Limited Partner</u>
Partners' Equity (Deficit), January 1, 2010	\$ 1,614,653	\$ (58)	\$ (6)	\$ 1,614,717
Net Income (Loss)	<u>(64,896)</u>	<u>(6)</u>	<u>(1)</u>	<u>(64,889)</u>
Partners' Equity (Deficit), December 31, 2010	1,549,757	(64)	(7)	1,549,828
Net Income (Loss)	<u>(114,486)</u>	<u>(11)</u>	<u>(1)</u>	<u>(114,474)</u>
Partners' Equity (Deficit), December 31, 2011	<u>\$ 1,435,271</u>	<u>\$ (75)</u>	<u>\$ (8)</u>	<u>\$ 1,435,354</u>
Profit and Loss Percentages	<u>100.00%</u>	<u>0.010%</u>	<u>0.001%</u>	<u>99.989%</u>

The accompanying notes are an integral part of these financial statements



**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ (114,486)	\$ (64,896)
Adjustments to Reconcile Net Loss to Cash		
Provided by Operating Activities		
Depreciation and Amortization	101,871	101,871
(Increase)Decrease in Accounts Receivable	279	(760)
(Increase)Decrease in Allowance for Doubtful Accounts	(540)	1,583
(Increase)Decrease in Prepaid Insurance	(931)	(1,086)
(Increase)Decrease in Tax & Insurance Escrow	(2,519)	1,967
Increase(Decrease) in Accounts Payable	2,999	1,012
Increase(Decrease) in Deferred Rent	(128)	713
Increase(Decrease) in Base Management Fees Payable	1,275	-
Increase(Decrease) in Subordinate Management Fees Payable	1,275	-
Increase(Decrease) in Accrued Interest Payable	30,492	30,324
Net Change in Security Deposits, Received (Paid)	444	(259)
Total Adjustments	<u>134,517</u>	<u>135,365</u>
Net Cash Provided by Operating Activities	<u>20,031</u>	<u>70,469</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposits to Operating Reserve	(854)	(443)
Deposits to Replacement Reserve	(12,150)	(15,798)
Payments Received from Related Party	-	70
Net Cash Used in Investing Activities	<u>(13,004)</u>	<u>(16,171)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Debt	(12,099)	(11,696)
Payment on Due to Related Party	(2,173)	(10,473)
Payment of Development Cost Payable	(11,750)	(3,250)
Payment of Developer Fees Payable	(5,215)	(3,300)
Net Cash Used in Financing Activities	<u>(31,237)</u>	<u>(28,719)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,210)	25,579
Cash and Cash Equivalents at Beginning of Year	<u>30,284</u>	<u>4,705</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 6,074</u></u>	<u><u>\$ 30,284</u></u>

The accompanying notes are an integral part of these financial statements

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>Supplemental Disclosures of Cash Flow Information</u>		
Cash Paid During the Year for Interest	<u>\$ 57,755</u>	<u>\$ 58,224</u>

The accompanying notes are an integral part of these financial statements

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE A - ORGANIZATION**

Eagle Pointe Development I Limited Partnership (the Partnership) was organized in 2001 as a limited partnership to develop, construct, own, maintain, and operate a 44-unit rental housing apartment complex for persons of low and moderate income. The apartment complex is located in Bossier City, Louisiana, and is currently known as Village of Eagle Pointe I Apartments. Each building of the apartment complex has qualified and been allocated low income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the apartment complex as to occupant eligibility and unit gross rent, among other requirements. The major activities of the Partnership are governed by the Amended and Restated Partnership agreement, as amended (the Partnership Agreement) and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows*

**Basis of Accounting**

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents represent unrestricted cash and all highly liquid and unrestricted debt instruments purchased with a maturity of three months or less.

**Cash and Other Deposits**

The Partnership maintains various checking, escrow, and other deposits at a local financial institution. The interest-bearing accounts at the financial institution are insured, in total, by the Federal Deposit Insurance Corporation up to \$250,000. All noninterest-bearing transaction accounts are insured in full by the Federal Deposit Insurance Corporation. At December 31, 2011, the Partnership had no uninsured cash balances.

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Reserve**

In accordance with the Partnership Agreement, the Managing General Partner established an Operating Reserve Account at Citizens National Bank. As of December 31, 2011 and 2010, the account had a balance of \$105,012 and \$104,158.

**Credit Risk Collateralization Policy**

The Partnership does not require collateral to support financial instruments subject to credit risk.

**Property, Equipment and Depreciation**

Land, buildings, improvements, and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

**Amortization**

Mortgage costs are amortized over the term of the mortgage loan using the straight-line method. Accumulated amortization as of December 31, 2011 and 2010 was \$15,143 and \$13,101, respectively.

**FASB ASC 360, *Property, Plant, and Equipment***

FASB ASC 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of the impairment provisions of FASB ASC 360, *Property, Plant, and Equipment* has not materially affected the Partnership's reported earnings, financial condition or cash flows.

**Tenants' Security**

Tenants' security deposits are to be held in a separate bank account in the name of the apartment complex. At December 31, 2011, this account was funded in an amount less than the security deposit liability.

**Rental Income and Accounts Receivable**

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Rental Income and Accounts Receivable (Continued)**

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages and cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership uses the allowance method to provide for uncollectible accounts.

**Income Taxes**

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the partners individually. The time limit for taxing authorities to examine the Partnership's income tax returns is generally three years from the date of filing or the due date, whichever is later, unless civil or criminal fraud is proven, for which there is no time limit.

**NOTE C - PARTNERS AND CAPITAL CONTRIBUTIONS**

During 2004, Provident Tax Credit Fund IX, LLC, withdrew as an Investor Limited Partner in the Partnership, and Nationwide Affordable Housing Fund XVI. A Red Capital Tax Credit Fund, LLC was admitted as an Investor Limited Partner. The Partnership has a General Partner – Bossier Housing Corporation, Inc., and a Special Limited Partner – SCDC, LLC. As of December 31, 2011, the Partnership has received all capital contributions due from the Investor Limited Partner.

**NOTE D - LONG-TERM DEBT**

**First Mortgage**

In July 2004, Home Federal Savings and Loan Association of Shreveport loaned \$842,818 to the Partnership in permanent financing. Under the terms of the loan, the Partnership will make monthly principal and interest payments of \$5,821 (7.375% per annum) until December 31, 2023 at which time the note matures and all unpaid balances on the note are due and payable. The balance due as of December 31, 2011 and 2010 was \$770,060 and \$782,159, respectively.

The Home Federal Savings and Loan Association of Shreveport loan is nonrecourse debt and is collateralized primarily by a first mortgage on the Partnership's land and buildings and an assignment of all rents and leases of the Partnership.

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE D - LONG-TERM DEBT (CONTINUED)**

**Second Mortgage**

The Louisiana Housing Finance Agency (LHFA) has committed loan proceeds of \$510,000 to the Partnership, of which the Partnership has only received \$399,916. The loan bears interest at a rate of 5.34%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest will not begin until the earlier of, the first mortgage with Home Federal Savings and Loan Association of Shreveport is paid in full or April 1, 2023, (commencement of amortization) at which time, the note will be payable in monthly principal and interest installments. In addition to the monthly installment, the accrued interest from inception of the note through commencement of amortization will be payable in equal monthly installments through August 15, 2019, which is the date all unpaid sums under the note are due and payable. The loan also details that payments shall be made only out of and to the extent of the cash flow of the Partnership after payment of all operating expenses approved by the LHFA. As a condition to obtaining this financing, the Partnership has entered into a regulatory agreement with LHFA. Rentals to tenants of low income and restrictions of rents charged are two major conditions of the regulatory agreement. Should the LHFA issue a written notice to the Partnership of an instance of noncompliance with the regulatory agreement, the Partnership has thirty days from the issuance of such notice to correct the noncompliance.

Should the noncompliance not be corrected within the thirty days, LHFA has the authority to declare the entire amount of mortgage immediately due and payable.

**Third Mortgage**

Eagle Pointe Development I Limited Partnership entered into a loan agreement with the Housing Authority of the City of Bossier City on November 5, 2003 in the amount of \$175,000. The loan bears interest at a rate of 5.00%, which accrues on the outstanding principal. Amortization of the note and payment of accrued interest shall be made only after payment of all Borrower's operating expenses, the funding of adequate reserves, and the payment of any payments due or outstanding under any Construction or Permanent Financing from an institutional lender and as set forth in the Partnership Agreement. The entire balance of principal and all accrued and unpaid interest shall be due and payable on December 31, 2043. As of December 31, 2011 and 2010, the balance of the loan was \$175,000 and \$175,000 and accrued interest amounted to \$69,863 in 2011 and \$61,113 in 2010.

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE D - LONG-TERM DEBT (CONTINUED)**

**Maturities of Long-Term Debt**

Aggregate maturities of long-term debt for the next five years and thereafter are as follows

Year Ending December 31,	Amount
2012	\$ 14,329
2013	\$ 14,606
2014	\$ 15,720
2015	\$ 16,919
2016	\$ 18,210
Thereafter	\$ 1,265,192

**NOTE E - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES**

**Management Fees**

The General Partner (Bossier Housing Corporation, Inc.) is under common control with the Housing Authority of the City of Bossier City, a Louisiana Public Housing Authority, the managing agent for the apartment complex. The Partnership incurred Base Management Fees of \$15,490 and \$17,161 and Subordinate Management Fees of \$14,177 and \$0 during 2011 and 2010, respectively, for services rendered in connection with the leasing, management and operation of the apartment complex. The Base Management Fee is computed on 5% of Operating Revenues and the Subordinate Management Fee in an amount equal to 5% of Operating Revenues provided that the Subordinate Management Fee shall be payable only to the extent of funds available pursuant to Section 5.2.A of the Management Agreement. As of December 31, 2011 and 2010, there were accrued Base Management Fees payable of \$1,275 and \$0 and accrued Subordinate Management Fees payable of \$1,275 and \$0, respectively. Management fees are charged monthly at a rate of 5.00% of total monthly income.

**Asset Management Fee**

The Partnership shall pay an Asset Management Fee to the Special Limited Partner (or to an affiliate thereof). The Asset Management Fee is \$5,000 increased each year by the applicable CPI adjustment from and after the Admission Date. The Asset Management Fee is due and payable within fifteen days after the end of each calendar quarter to the extent cash is available as provided in the Partnership agreement. The Partnership incurred Asset Management Fees of \$5,928 and \$5,832 during 2011 and 2010, respectively.

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE E - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES (CONTINUED)**

**Transactions With Related Parties**

During 2009, the Partnership paid operating expenses, in the amount of \$65, on behalf of Eagle Pointe Development III Limited Partnership. As of December 31, 2010, the accrued receivable was paid in full

During 2009, the Partnership paid operating expenses, in the amount of \$5, on behalf of Bossier City Housing Authority. As of December 31, 2010, the accrued receivable was paid in full.

**Developer Fee**

The Partnership entered into a development agreement with Bossier Housing Corporation, Inc., the General Partner. The agreement provides for a development fee of \$440,000 for services to be performed in connection with the development of the Project. The total fee was earned and capitalized into the cost of the building. The fee is non-interest bearing and paid out of available cash flows, as defined by the Partnership Agreement. During 2010, the Partnership paid \$3,300 in developer fees leaving a balance of \$5,215 to be paid as of December 31, 2010. During 2011, the Partnership paid the remaining \$5,215 in developer fees.

**Development Cost Payable**

As of December 31, 2011 and 2010, the Partnership owed the Housing Authority of the City of Bossier City, an affiliated entity, \$93,584 and \$105,334 for development costs paid by the Housing Authority on behalf of the Partnership.

**Amounts Due To Related Parties**

Amounts due to related parties at December 31, 2011 and 2010, consist of the following

	2011	2010
Bossier Housing Corporation, Inc., for Developer Fee	\$ —	\$ 5,215
Bossier City Housing Authority, for Development Costs paid on behalf of the Partnership	93,584	105,334
Bossier City Housing Authority, an affiliate of Bossier Housing Corporation, Inc, for costs paid on behalf of the Partnership	6,735	8,908
Bossier City Housing Authority, note payable of \$175,000 including accrued interest	244,863	236,113
	<u>\$ 345,182</u>	<u>\$ 355,570</u>



**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE F - PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS**

All profits and losses, other than from certain transactions detailed in the Partnership Agreement, are allocated 01% to the General Partner, 99.989% to the Investor Limited Partner and 0.01% to the Special Limited Partner. Distributable cash flow is defined in The Partnership Agreement as the excess of operating revenues over the sum of operating expenses and debt service.

Distributable cash flow is payable annually as follows:

- (1) to the payment of any unpaid Adjustment Amount determined in accordance with Section 4.2,
- (2) to the payment of any unpaid Base Management Fee,
- (3) to the payment of any unpaid Asset Management Fees;
- (4) to the repayment of any outstanding Limited Partner Loans;
- (5) to replenishment of the Operating Reserve to the extent required pursuant to Section 6.14 B,
- (6) to payment of the Deferred Development Cost Payment until paid in full;
- (7) to the payment of any unpaid Subordinate Management Fee,
- (8) to the additional payment of principal on the Permanent Mortgage,
- (9) to the payment of the Secondary Loans,
- (10) to the repayment of any outstanding General Partner Loans;
- (11) to the repayment of outstanding Operating Deficit Loans, and
- (12) all remaining Cash Flow shall be distributed 0.01% to the General Partners and 99.99% to the Limited Partners.

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE G – TAXABLE INCOME (LOSS)**

A reconciliation of financial statement net loss of the Partnership for the years ended December 31, 2011 and 2010 are as follows

	<u>2011</u>	<u>2010</u>
Financial Statement Net Loss	\$ (114,486)	\$ (64,896)
Adjustments		
Excess of depreciation for income tax purposes over financial reporting purposes	(19,402)	(19,407)
Other Book/Tax Timing Differences	<u>3</u>	<u>-</u>
Taxable loss as shown on tax return	<u>\$ (133,885)</u>	<u>\$ (84,303)</u>

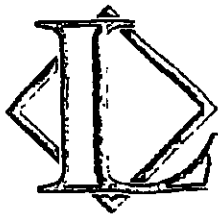
**NOTE H – SUBSEQUENT EVENTS**

The Partnership has evaluated subsequent events through February 28, 2012, the date which the financial statements were available for issue

## **SUPPLEMENTAL INFORMATION**

**EAGLE POINTE DEVELOPMENT I LIMITED PARTNERSHIP**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>MAINTENANCE AND REPAIRS</b>		
Grounds Maintenance	\$ 11,423	\$ 9,111
Maintenance and Repairs - Contract	42,518	43,624
Maintenance and Repairs - Supplies	7,150	5,468
Pest Control	971	3,017
Total Maintenance and Repairs	<u>\$ 62,062</u>	<u>\$ 61,220</u>
<b>UTILITIES</b>		
Electricity	\$ 4,311	\$ 4,014
Water	9,125	8,084
Sewer	7,860	7,023
Gas	-	160
Garbage and Trash Removal	7,906	6,996
Other Utility Expense	5,760	5,760
Total Utilities	<u>\$ 34,962</u>	<u>\$ 32,037</u>
<b>ADMINISTRATIVE</b>		
Payroll	\$ 50,942	\$ 41,896
Bookkeeping and Auditing	5,750	5,500
Legal Fees	1,060	2,975
Computer Support Services	5,220	3,115
Office Expense	925	894
Telephone	562	481
LHFA Compliance Fees	12,653	4,833
Miscellaneous Administrative Fees	4,057	2,230
Total Administrative	<u>\$ 81,169</u>	<u>\$ 61,924</u>
<b>TAXES</b>		
Other Taxes	<u>\$ 27</u>	<u>\$ 27</u>
Total Taxes	<u>\$ 27</u>	<u>\$ 27</u>
<b>INSURANCE</b>		
Property and Liability Insurance	<u>\$ 15,428</u>	<u>\$ 14,032</u>
Total Insurance	<u>\$ 15,428</u>	<u>\$ 14,032</u>
<b>INTEREST EXPENSE</b>		
Bossier City Housing Authority Loan Interest Expense	\$ 8,750	\$ 8,750
Home Loan Interest Expense	21,652	21,652
Mortgage Interest Expense	57,845	58,146
Total Interest Expense	<u>\$ 88,247</u>	<u>\$ 88,548</u>



**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm TODD LITTLE CPA  
CHARLES R MARCHBANKS, JR CPA

**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Partners  
Eagle Pointe Development I Limited Partnership  
Bossier City, Louisiana

We have audited the financial statements of Eagle Pointe Development I Limited Partnership as of and for the year ended December 31, 2011, and have issued our report thereon dated February 28, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

**Internal Control Over Financial Reporting**

Management of Eagle Pointe Development I Limited Partnership is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Eagle Pointe Development I Limited Partnership's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eagle Pointe Development I Limited Partnership's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Eagle Pointe Development I Limited Partnership's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eagle Pointe Development I Limited Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Partners and the management of Eagle Pointe Development I Limited Partnership, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Little & Associates, L.L.C.*

Monroe, Louisiana  
February 28, 2012